# Make sure ICD-10 implementation plan adheres to OIG compliance guidance

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By October 1, 2013, all Health Insurance Portability and Accountability Act (HIPAA) covered entities must implement ICD-10-CM for all diagnoses and ICD-10-PCS for all inpatient hospital procedures. During CMS' June 15 conference call, "ICD-10 Implementation in a 5010 Environment," CMS representatives reiterated that this October 1, 2013 deadline will not be delayed.

Realizing that the go-live date won't change, some healthcare systems and hospitals have already begun to develop an organization-wide ICD-10 implementation strategy or an ICD-10 implementation plan. In developing this plan, hospitals should strongly consider using key elements of the Office of Inspector General's (OIG) compliance guidance published in 1998 and 2005.

In the February 23, 1998 *Federal Register*, the OIG published "The Compliance Program Guidance for Hospitals," hereafter referred to as the "compliance program guidance," which stated the following:

> *Targeted training should be provided to corporate officers, managers, and other employees whose actions affect the accuracy of the claims submitted to the government, such as employees involved in the coding, billing, cost reporting and marketing processes.*

In the January 31, 2005 *Federal Register*, the OIG followed up with this 1998 guidance with the "OIG Supplemental Compliance Program Guidance for Hospitals":

> *Because incorrect procedure coding may lead to overpayments and subject a hospital to liability for the submission of false claims, hospitals need to pay close attention to coder training and qualifications.*

**ICD-10 training and education**

Hospitals that fail to adequately train and educate their staff members risk liability for the violation of healthcare fraud and abuse laws. The purpose of conducting a training and education program is to ensure that each employee, contractor, or any other individual who functions on behalf of the hospital is fully capable of executing his or her role in compliance with rules, regulations, and other standards.

When reviewing training and education programs, hospitals may consider the following questions:

- Does the hospital seek feedback after each session to identify shortcomings of the training program, and does it administer post-training testing to ensure attendees understand and retain the subject matter delivered?
- Has the hospital documented who has completed the required training?
- Has the hospital assessed whether to impose sanctions for failing to attend training or to offer appropriate incentives for attending training?

Note the following training and education tips:

- Ensure that all staff members who receive ICD-10 training complete comprehensive evaluation forms
- Test staff members to ensure that they thoroughly understand ICD-10-CM and ICD-10-PCS
- Document the successful completion of the ICD-10 training and testing in the personnel files of all applicable staff
- Consult the hospital's legal counsel about the use of sanctions for staff members who fail to attend and/or successfully complete the ICD-10 training

**Medical staff education**

Note the following, per the OIG's February 1998 compliance program guidance:

> *Accurate coding depends upon the quality and completeness of the physician's documentation. Therefore, the OIG believes that active staff physician participation in educational programs focusing on coding and documentation should be emphasized by the hospital.*

Keeping in mind this OIG guidance, customize the training for physicians based on their medical specialty. Start by generating reports to identify the most commonly reported diagnoses and procedures for each clinical department. For example, in the cardiology department, the ICD-10-CM/PSC training may focus on ICD-10-CM/PCS codes for:

- Arteriosclerotic heart disease (ICD-10-CM diagnosis code I25.10)
- Congestive heart failure (ICD-10-CM diagnosis codes I50.20–I50.9)

- Cardiac arrhythmias (ICD-10-CM diagnosis codes I49.8 and R00.1)
- Coronary bypass grafting (ICD-10-PCS procedure code table 021)
- Cardiac catheterization (ICD-10-PCS code table 4A0)
- Percutaneous transluminal angioplasty (ICD-10-PCS code table 027)

**ICD-10 coding audits**

OIG's February 1998 compliance program guidance also states the following:

> *Performance of regular, periodic compliance audits by internal or external auditors who have expertise in federal and state healthcare statutes, regulations, and federal health care program requirements . . . These audits should be designed to address the hospital's compliance with laws governing kickback arrangements, the physician self-referral prohibition, CPT/HCPCS, ICD coding, claim development and submission, reimbursement, cost reporting, and marketing.*

In addition, consider the compliance program guidance from January 2005, which states:

*Effective auditing and monitoring plans will help hospitals avoid the submission of incorrect claims to Federal health care program payers. Hospitals should develop detailed annual audit plans designed to minimize the risks associated with improper claims and billing practices.*

Hospitals may want to consider doing the following when forming their auditing plan:

- Re-evaluate the audit plan annually
- Ensure that they use qualified auditors
- Conduct unscheduled reviews
- Evaluate and correct the error rates identified during audits
- Include billing and clinical documentation reviews in the audit plan

It is never too early for providers to develop their ICD-10-CM/PCS audit plan. Note the following tips related to conducting documentation and coding audits.

- Documentation audits. The clinical documentation improvement (CDI) department can start conducting ICD-10 documentation audits this year. Because comprehensive clinical documentation

is beneficial regardless of which coding system is currently in use, it is not too soon to identify documentation strengths and weaknesses.

For example, consider having your CDI department map your top 25 ICD-9-CM principal diagnosis codes to the equivalent ICD-10-CM diagnosis codes. Then the CDI staff could begin auditing inpatient cases to determine whether the records contain the necessary clinical information to support the ICD-10-CM equivalent of the assigned ICD-9-CM principal diagnosis code. You could use these documentation audit findings to develop an ICD-10-CM/PCS clinical documentation training program.

- Coding audits. Initially, you may want to target certain inpatient cases for coding review based on the MS-DRG assignment or the CCs because both of these inpatient prospective payment system components will undergo changes when they are reconfigured with ICD-10-CM codes.

For outpatient cases, you may consider targeting cases based on specific ICD-10-CM diagnosis codes. For example, in ICD-10-CM, the fracture and external cause of injury coding is somewhat challenging, so you might want to target cases containing these codes for review.

Your ICD-10 implementation plan must also address whether the coding error rate will be "relaxed" for a brief time after the new coding system takes effect on October 1, 2013. Because ICD-10-CM/PCS will be new for all coding professionals, some providers may want to think about increasing the acceptable internal coding error rate from 5%, for example, to 10% for coding audits performed from October 1 to December 31, 2013.

If the hospital has an internal auditing department that will perform ICD-10 audits, it's imperative that the internal auditors receive comprehensive training in ICD-10-CM and ICD-10-PCS coding. After October 1, 2013, hospitals should also require these auditors to maintain their ICD-10 skills by participating in continuing education (e.g., seminars, audio conferences, and online courses). Be sure to document and keep in file all internal auditing staff training.

If the hospital decides to hire external auditors, require written proof that these external auditors have received comprehensive training in ICD-10-CM/PCS. For example, some hospitals may require that their external auditors be ICD-10 certified. Certification is available from the American Health Information Management Association.

**ICD-10 corrective action plans**

Again, when it comes to corrective action plans, the February 1998 compliance program guidance has something to say:

> *Instances of noncompliance must be determined on a case-by-case basis. The existence, or amount, of a monetary loss to a healthcare program is not solely determinative of whether or not the conduct should be investigated and reported to governmental authorities. In fact, there may be instances where there is no monetary loss at all, but corrective action and reporting are still necessary to protect the integrity of the applicable program and its beneficiaries.*

So too does the January 2005 guidance:

*By consistently responding to detected deficiencies, hospitals can develop effective corrective action plans and prevent further losses to Federal healthcare programs.*

When evaluating the manner in which it responds to detected deficiencies, hospitals should create a response team to investigate deficiencies quickly and thoroughly. Hospitals should also conduct periodic reviews of problem areas to verify that the corrective action that was implemented successfully eliminated existing deficiencies.

Hospitals must understand that they can't let the ICD-10 documentation and coding audit results affect MS-DRGs, medical ambulatory patient groups (APG), medical enhanced-APGs, or any other payment groups that affect the hospital's correction of identified deficiencies. For example, if inpatient coding audits performed in November 2013 reveal numerous ICD-10 coding errors that do not affect the MS-DRG assignment, the hospital still needs to address those coding errors.

Start developing and implementing an ICD-10 implementation plan now, in 2010. Your implementation plan must include a contingency plan to address adversities that won't be evident until the implementation date or later. In other words, your ICD-10 implementation plan will be a fluid process that may require constant refinement.

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